

**Rhode Island Economic Development Corporation**

**Enterprise Zone Council**

**Minutes of Meeting of May 22, 2012**

**RIEDC: Narragansett Room**

**315 Iron Horse Way, Suite 101**

**Providence, RI 02908**

**In attendance:**

**COUNCIL AFFILIATION**

**D. Varin Vice Chairman**

**R. Caniglia Stand Corporation**

**B. Parsons RIEDC**

**OTHER AFFILIATION**

**V. Barros RIEDC**

**E. Partridge City of Central Falls**

**S. Larrick City of Central Falls**

**J. Garrahy Moses & Afonso, LTD**

**W. Clark Town of Portsmouth**

**L. DiBoni City of Cranston**

**M. Godin ED Foundation of RI**

**K. Cosentino City of Providence**

**J. Moran City of East Providence**

**A. Crisman Ctr. for Economic Development**

**At 10:04 Mr. Varin called the meeting the Rhode Island Enterprise Zone Council to order and noted there was a quorum present. He directed the Council attention to a revised agenda that was distributed prior to the meeting.**

**The first item of business before the Council was the Meeting Minutes for April 24, 2012.**

**Mr. Caniglia made a motion to approve the meeting minutes. The motion was seconded by Mr. Parsons. Mr. Varin asked if there were any additional comments or questions. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**The next order of business before the Council was a Recommendation for 2011 Certification.**

**Mr. Barros stated that there was one (1) business being presented for 2011 year-end certification and that the business had declared itself as c-corps and satisfied the requirements of EZ year-end certification; as a result, staff recommended approval of this one business bring the year-to-date total to five (5) businesses resulting in one hundred thirty three (133) new full-time jobs created in 2011.**

**Mr. Varin asked for a motion to approve the 2011 recommendation for certification. Mr. Caniglia made the motion which was seconded by Mr. Parsons. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion**

**was unanimously approved.**

**The next order of business before the Council was a 2012 Legislative Status Update Report.**

**Mr. Barros provided a general review of the five (5) enterprise zone related bills that the Council asked him to tracking and monitoring. He stated that there had been no substantive changes to any of the bill since the last meeting in April.**

**He mentioned a group of local supporters of the bills that seeks to reestablish the EZ tax credit as an eligible credit for pass-through business entities had met with House Speaker Gordon Fox's staff and were trying to meet with Rep. Mello of the House Finance Committee.**

**Ms. Godin stated Herb Weiss had told her that the meeting with Fox's staff went well. A general discussion ensued about the prospects of the bill passing the General Assembly at such a late stage.**

**Mr. Caniglia asked if any other bodies or entities like the chambers were following or advocating for these EZ bills?**

**Ms. Godin said that she wasn't aware of any others being involved but that the efforts of the local cities and towns has been greater than in any time in the past. She added that those active cities and towns, like Pawtucket, would be engaging the RI League of Cities and Towns to support the 'reinstatement of the EZ credit' bill.**

**Mr. Moran said that this is the time to analyze the how the discontinuance of the tax credits has impacted job creation in these zones. We need to show that the elimination of the pass-through ability has resulted in less jobs being created by EZ businesses that would otherwise be incentivized to do so because of the EZ tax credit.**

**Mr. Crisman added that there has never been a cost/benefit analysis that made any sense. There needs to be an intelligent ROI analysis performed.**

**Mr. Larrick suggested preparing survey with questions for EZ companies that focus on their hiring habits, does the EZ incentivize their hiring or influence their decision to locate in the zone.**

**Mr. Caniglia asked if DLT could help survey and gather some of the hard facts about the impact of EZ job creation.**

**Mr. Moran suggested that the survey target EZ companies that had hired in the past few years, asking those companies would they have added more jobs with the credit, how did the credit impact their hiring decision or does it have no impact, does the lack of the credit impact their hiring.**

**A general discussion ensued about how these tax credits impact not**

**only jobs but business growth.**

**Mr. Caniglia suggested that each zone identify one company to survey.**

**Mr. Moran suggested we look at s-corps to ask how much the change is affecting their ability to hire. Is it a disincentive to hiring and adding jobs?**

**The next order of business before the Council was a Proposed Amendment to 2012 – S2459.**

**Mr. Barros reviewed the proposed amendment that was drafted by EZ legal counsel, Mr. Garrahy with the Council.**

**A general discussion ensued about the merits of the proposed amendment.**

**The next order of business before the Council was a Program Activity Summary.**

**Mr. Barros reviewed the aggregate EZ program activity numbers for 2008 – 2011 with the Council. He focused on the average EZ tax credit claimed per new job for each year.**

**A general discussion ensued about the interpretation of the program activity report.**

**Mr. Varin asked if there was any other business to come before the Council. There being none, he asked for a motion to adjourn. Mr. Parsons made the motion which was seconded by Mr. Caniglia. All voted unanimously in favor of the motion to adjourn.**